

Magcorp Bankruptcy
file
(~~✗~~ M/045/008
✗ M/045/022)

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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re

Chapter 11

**MAGNESIUM CORPORATION
OF AMERICA, et al.,**

Case No. 01-14312 (REG)

Debtors.

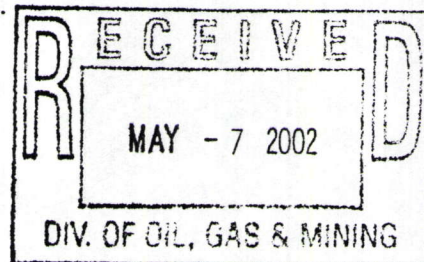
(Jointly Administered)
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**NOTICE OF INTENT TO SELL SUBSTANTIALLY ALL OF THE
ASSETS OF MAGNESIUM CORPORATION OF AMERICA, FREE AND
CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES AND INTERESTS**

PLEASE TAKE NOTICE, that Magnesium Corporation of America ("Magcorp" or the "Seller"), one of the above-captioned debtors-in-possession in the above-captioned case, by motion dated May 2, 2002 (the "Sale Motion"), has requested, among other things, entry of an order approving bid procedures and bid protections (the "Bid Procedures") in connection with a sale of substantially all of Magcorp's assets, including, but not limited to the following: (i) real property consisting of approximately 4,525 acres of land adjacent to the Great Salt Lake in Rowley, Utah, (ii) the operating production facility located thereon including machinery, equipment and other personal property (the "Facility"), (iii) an office building in Salt Lake City, Utah and (iv) goodwill, and other assets described in the Sale Motion and the exhibits annexed thereto except for the Excluded Assets (collectively, the "Assets"). The Facility is designed to produce pure magnesium and magnesium alloys to domestic and international customers in all the major industrial markets for magnesium.

PLEASE TAKE FURTHER NOTICE, that a hearing to consider approval of, among other things, the bidding procedures governing the sale is scheduled before the Honorable Robert E. Gerber, United States Bankruptcy Judge, in Room 620 of the United States Bankruptcy Court, Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004 on May 14, 2002 at 9:45 a.m. (the "Procedures Hearing").

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- A representation that the offer is irrevocable until the earlier of (x) June 15, 2002; (y) 15 days after the Sale Hearing; and (z) receipt of written notification from the Seller that the offer is not acceptable.

A Qualified Bidder is any potential bidder that submits a Qualified Bid. At the Procedures Hearing, the Bankruptcy Court may confirm the qualifications of any Qualified Bidder if a dispute exists.

All requests for due diligence material as well as access to the Facility should be made through Bruce Conklin of Kibel Green & Issa, Inc., Magcorp's financial advisors (telephone number (949) 852-0150).

PLEASE TAKE FURTHER NOTICE, that any bidder that is determined by the Seller or the Bankruptcy Court to be a Qualified Bidder shall deliver, within two (2) business days of such determination but no later than immediately prior to the Auction, a good faith deposit (the "Deposit") in the form of a certified check or wire transfer (or other form acceptable to the Seller in its discretion) and payable to the order of the Seller (or such other party as the Seller may determine) in the amount of \$1,000,000.00.

PLEASE TAKE FURTHER NOTICE, that a Qualified Bidder that desires to make a bid shall deliver a written copy of its bid to Chadbourne & Parke LLP, 30 Rockefeller Plaza, New York, New York 10112, Attention: Joseph H. Smolinsky, not later than the Bid Deadline.

PLEASE TAKE FURTHER NOTICE, that copies of the Sale Motion and the Bid Procedures as well as information on how to qualify as a bidder may be procured upon written or telephonic request to the undersigned.

Chadbourne & Parke LLP
30 Rockefeller Plaza
New York, New York 10112
Telephone No. (212) 408-5100
Attn: Joseph H. Smolinsky, Esq.

Attorneys for Magnesium Corporation of
America of the above-captioned Debtors
and Debtors in Possession

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